



U.S. Department of Housing and Urban Development

Newark Office, Region II  
Military Park Building  
60 Park Place  
Newark, New Jersey 07102-5504

---

Contact for Further Information

Robert Kaplan (201) 877-1812  
Frederick Sontag (201) 877-1813  
(Nights & Weekends) (201) 763-0203

# News Release

---

For Release After 11 AM  
Wednesday, December 2, 1987

APPROVAL CERTIFICATES GIVEN TO CITY OF  
NEWARK AND K. HOVNIANIAN COMPANIES BY HUD  
REMARKS OF WALTER JOHNSON, MANAGER, NEWARK OFFICE (HUD)  
AT THE GROUNDBREAKING OF SOCIETY HILL  
AT UNIVERSITY HEIGHTS, NEWARK, NJ  
DECEMBER 2, 1987

It gives me great pleasure to present the City of Newark and K. Hovnianian Companies with certificates signifying the approval by the U.S. Department of Housing and Urban Development (HUD) of Society Hill at University Heights as an Official Joint Venture for Affordable Housing Site.

**SECRETARY PIERCE SAYS**

Home ownership has long been the American dream. Time and again in appearances across America, HUD Secretary Samuel R. Pierce, Jr., now the senior member of the President's Cabinet, has told his audiences, "To millions of middle class Americans, no opportunity means more than the chance to buy and own one's home. Nothing is more crucial to America's future than to help that opportunity come true."

We are here today to recognize the City of Newark and K. Hovnianian Companies for making the dream a reality. Working together, they have created home ownership opportunities for middle class families.

They have demonstrated that good housing can be built more inexpensively, than it is today, through the use of new building techniques and the streamlining of regulations governing new construction. At a time

-More-

when the median price for a new home in Northern New Jersey is \$183,000, the Hovnanian Company has designed and will build a three bedroom/two and a half bath townhome for \$98,000. One bedroom flats will start at \$58,000. The result is compelling. Thirty percent of families in the Newark Metropolitan Area can afford a Society Hill townhome while only sixteen percent can afford the median priced house.

Achievements such as this don't just happen. They require cooperation, imagination, courage, and hard work; qualities that both the City of Newark and the Hovnanian organization brought to this undertaking.

#### \$ SAVINGS

Mayor Sharpe James has often referred to Newark's "window of opportunity." He and his staff have made sure that the window is open and made home builders welcome. In the case of Society Hill at University Heights, Newark assumed the costs of site assembly and preparation and waived the usual water and sewer tap fees. In addition, the City has administratively reorganized its development procedures to reduce the project processing time required prior to construction.

#### BUSINESS SAVINGS

K. Hovnanian Companies through the use of panelized construction, large volumes, and strict cost containment measures was able to keep the price down.

#### HOME BUILDERS JOIN

Doing things in a certain way because, "this is the way we've always done it" does not produce affordable housing. We must rethink what actually is needed, in a home or by a community, given improved technology and today's lifestyles and change requirements accordingly. In order to support innovative approaches to home building, HUD under the leadership of Secretary Pierce, has entered into the Joint Venture for Affordable Housing with the National Association of Home Builders. The purpose of this initiative is to work with, and provide technical assistance to, communities and builders to enable them to provide new housing at lower costs. Our initial demonstration program produced savings from 10 to 30 percent when compared to similar units built under conventional procedures. I'm sure when the results are in, we'll see similar savings here in Newark.

The impact of Society Hill at University Heights will be wide-ranging for it is the keystone to the resurgence of the University Heights neighborhood. There are many initiatives that are underway to redevelop the neighborhood, including the efforts of the higher education institutions in the area and the fine townhouses built by Donald Harris of Vogue Housing Connections, Inc. However, Society Hill, with its sheer size, will provide the critical mass necessary to propel University Heights to the forefront of urban areas in New Jersey.

We salute your achievement and we will be following your realization of this dream.